

## Message Text

UNCLASSIFIED

PAGE 01 PANAMA 05254 222113Z POSS DUPE  
ACTION ARA-14

INFO OCT-01 ISO-00 SAB-02 AID-05 CIAE-00 COME-00 EB-07  
FRB-01 INR-07 NSAE-00 USIA-15 TRSE-00 XMB-04  
OPIC-06 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 NSC-05  
SS-15 STR-04 CEA-01 AGRE-00 INT-05 DODE-00 PM-05  
H-02 L-03 PA-02 PRS-01 /115 W  
-----042343 230649Z /15

R 222045Z JUL 77  
FM AMEMBASSY PANAMA  
TO SECSTATE WASHDC 2869  
INFO AMEMBASSY GUATEMALA  
PANCANAL  
USSOUTHCOM

UNCLAS PANAMA 5254

GUATEMALA FOR ROCAP

EO 11652: N/A  
TAGS: ECON, EIND, PN  
SUBJECT: MINISTER OF COMMERCE COMMENTS ON ECONOMIC MEASURES,  
EMPLOYMENT, COPPER, SUGAR AND GUATEMALA

1. THE PACKAGE OF LAWS ENACTED THE BEGINNING OF THIS YEAR  
HAVE HAD LESS EFFECT THAN HOPED, ACCORDING TO JULIO SOSA,  
THE MINISTER OF INDUSTRY AND COMMERCE, IN A RECENT PRESS INTER-  
VIEW. HOWEVER, MINISTER SOSA WAS PLEASED TO POINT OUT THAT  
THE REFORMS IN THE LABOR CODE, KNOWN AS LAW 95, RESULTED IN  
NEITHER MASSIVE LAYOFFS NOR REPRISALS. COMMENTING ON THE NEED  
TO TAKE A BROAD VIEW OF THE EFFECTS OF THE LEGISLATION, SOSA  
SAID THAT THERE HAS BEEN AN INCREASE IN THE NUMBER OF BUSINESS  
OF ESTABLISHMENTS AND THAT THEREFORE THE MEASURES HAVE HAD A  
POSITIVE EFFECT, ALTHOUGH LESS THAN HOPED FOR. HE FELT THAT  
THE ENTREPRENEUR HAS COME OUT OF HIS "PSYCHOLOGICAL SHOCK"  
AND THAT THE ECONOMIC CLIMATE IS IMPROVING. FURTHERMORE,  
HE ADDED, NO MAJOR ENTERPRISE HAS GONE UNDER. MAIN  
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PAGE 02 PANAMA 05254 222113Z POSS DUPE

PROBLEMS OCCUR IN ENTERPRISES WHICH HAVE NO RAISON D'ETRE  
OR WHICH ARE POORLY FUNDED. HOWEVER, MORE IMPORTANT  
THAN THE NUMBER OF NEW ENTERPRISES IS THE FACT THAT  
EXISTING ENTERPRISES HAVE INCREASED THEIR PERSONNEL,  
HE SAID.

2. SOSA WAS OPTIMISTIC REGARDING THE LONG-TERM OUTLOOK

FOR THE CERRO COLORADO COPPER UNDERTAKING.

3. AS FOR SUGAR, HE ACKNOWLEDGED THAT AT LEAST UNTIL YEAR-END THE PANAMA SUGAR INDUSTRY WOULD BE OPERATING AT A LOSS, NO THANKS TO THE FIASCO THAT RESULTED AT THE UNCTAD SUGAR CONFERENCE IN GENEVA IN MAY. HE ADDED THAT THE CONFERENCE WOULD RECONVENE IN SEPTEMBER TO SEEK AN INTERNATIONAL SUGAR PRICE OF 16CENTS PER POUND.

4. REGARDING RELATIONS WITH GUATEMALA, THE MINISTER STRESSED THAT THE BREAK HAD BEEN DIPLOMATIC NOT COMMERCIAL; HOWEVER, WHILE PANAMA'S IMPORTS FROM GUATEMALA EXCEED ITS EXPORTS, SUCH IMPORTS COULD EASILY BE BOUGHT ELSEWHERE IF NECESSARY.

JORDEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** EMPLOYMENT, COPPER, SUGAR, DIPLOMATIC COMMUNICATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 22-Jul-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977PANAMA05254  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770263-0518  
**Format:** TEL  
**From:** PANAMA  
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**Litigation Codes:**  
**Litigation History:**  
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**Office:** ACTION ARA  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 2  
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**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1775967  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MINISTER OF COMMERCE COMMENTS ON ECONOMIC MEASURES, EMPLOYMENT, COPPER, SUGAR AND GUATEMALA  
**TAGS:** ECON, EIND, PN, (SOSA, JULIO)  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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